CAPITALAND LIMITED
(Registration Number: 198900036N)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

Annual General Meeting to be held on 29 June 2020
Responses to Substantial and Relevant Questions

CapitaLand Limited ("CapitaLand") would like to thank all Shareholders who submitted their questions in advance of our Annual General Meeting ("AGM") to be held virtually via "live webcast" at 10:00am on Monday, 29 June 2020.

We have grouped the questions received into the following key topics:

A. COVID-19 Impact/ Business Performance
B. Group Financials
C. Business Strategy
D. Shareholder Returns
E. Scrip Dividend Scheme (SDS)
F. Others

We trust that Shareholders will understand that because of the overlapping questions received, we will not be responding to each and every question individually. Please refer to our responses to these substantial and relevant questions in the following pages.

CapitaLand's Group CEO, Mr Lee Chee Koon will deliver a presentation to Shareholders at the AGM where he will touch on the above-mentioned topics, as well as our business outlook. The presentation slides have also been uploaded on SGXNet and made available on CapitaLand's website.

After the conclusion of the AGM, the voting results of the AGM will be uploaded on SGXNet and made available on CapitaLand's website. The minutes of the AGM will be published on CapitaLand's website on or before the end of July 2020.

CapitaLand would also like to advise Shareholders that in the unlikely but possible event of disruption to the live visual-audio feed, the AGM with a physical quorum in place will continue to conclusion. In such unlikely event, Shareholders are immediately invited to call the toll-free numbers provided to Shareholders in the emails or letters to them confirming their registration to be able to continue with the live audio feed. If the toll-free line also does not work, Shareholders are advised to refer to the announcement to be made and posted on SGXNet and published at CapitaLand's website for the results of the AGM. The voting results of the AGM will be uploaded on SGXNet and made available on CapitaLand's website as soon as it is practicable and in any event at the latest after trading hours on 29 June 2020.

By Order of the Board

Michelle Koh
Company Secretary

29 June 2020

A. COVID-19 Impact/ Business Performance	
1.	How has COVID-19 impacted the performance of CapitaLand?
	The operating performance in our four core geographical markets (Singapore, China, India, Vietnam) and the other countries which we operate in, have been affected to varying degrees by restrictions on social distancing, travel and commercial activities. The impact to the Group is primarily concentrated within our residential, retail and lodging businesses, where residential sales offices are forced to close, non-essential retail trades are unable to operate, and the occupancy of our lodging assets have fallen due to travel restrictions. Our offices, business parks, logistics and multifamily properties have remained relatively resilient. Following China's nationwide lockdown, which was lifted in March, the country's operating performance across the portfolio has seen continual improvement. On average, approximately 90% of CapitaLand's tenants across all our commercial asset classes are back in operation as of May 2020. Footfall at our retail malls has recovered to around 70% of pre-COVID levels. Residential sales have also been encouraging, and the Group remains cautiously optimistic and will time its launches according to market condition. The rest of CapitaLand's markets are gradually re-opening, which should in turn similarly result in an improvement in our operating businesses. For our Lodging business, despite uncertainty over current and future travel restrictions, we believe that our predominantly long-stay, self-contained platform, encompassing the flexibility to be converted to rental apartments, will prove to be relatively more resilient. Notwithstanding the improvement in business optimism, the Group expects leasing opportunities across the portfolio to remain muted as companies adopt a cautious approach going forward. This may place pressure on occupancy levels and future rental rates. As well, tenant support measures, totalling over S$300 million[1], in various markets, including government-mandated landlord obligations, and the Group's own initiatives, are expected to have an adverse impact on CapitaLand's financial performance for FY 2020. Nonetheless, CapitaLand's financial position continues to be healthy, underpinned by a strong capital base, cash on hand and unutilised confirmed lines of credit. Our balance sheet strength will enable us to navigate through the current challenges, and be in position to capitalise on strategic opportunities should they arise.
2.	Is the Company concerned about a significant shift in the demand-supply dynamics of its mall and office assets in the coming years due to COVID-19?
	The COVID-19 situation has created the need to provide for enhanced social distance and safety provisions. This has led to an increase in

[1] On 100% basis YTD on rental support to our commercial tenants, excluding government subsidies.

	e-commerce and working from home, which may in turn have longer-term implications for commercial real estate, including our malls and offices. The nature of this impact remains uncertain at this point. Notwithstanding this, we continue to believe that humans need social interaction, and malls and offices will continue to be relevant. Taking guidance from China – the first of CapitaLand's markets to emerge from COVID-19 lockdown - life has largely returned to pre-COVID normalcy, albeit with added safety precautions. CapitaLand has been able to provide solutions for both retail and office tenants impacted by COVID-19. For our office tenants, we look to offer "core and flex" options to accommodate any changes in space requirements. For our retail tenants, the pandemic has accelerated our efforts to enhance and onboard our tenants onto our digital CapitaStar app platform, offering a holistic on and offline platform to cater to our tenants' evolving requirements. We believe that well-located assets with the right product mix will continue to be in demand. Moreover, CapitaLand's diversified portfolio, which extends beyond mall and office to business space and lodging, has placed CapitaLand in a position to quickly identify any changing trends and industry shifts on an on-going basis.
3.	What level of rental arrears are you seeing in your portfolio across asset classes and geographies?
	The Group's rental arrears have not increased significantly YTD May 2020 compared to December 2019. This is partly attributed to the various forms of rental support we have provided to our commercial tenants in our respective markets. In some cases, the Group has also allowed tenants to partially utilise their security deposits to offset rent. In Singapore, the Group further committed to fully pass through the property tax rebates given by the Singapore Government. If the challenging operating conditions persist into the second half of 2020, the various support measures may no longer be sufficient to offset our tenants' rental obligations, and the Group may begin to record an increase in rental arrears. Legislation such as the COVID-19 (Temporary Measures) (Amendment) Bill in Singapore, which mandates landlords to defer rents for qualifying SME tenants, may also contribute to the increase in arrears going forward. Lodging properties owned by the Group are mainly held by the Group's hospitality trust, Ascott Residence Trust (ART). Rentals from the master leases of ART were largely unaffected in 1Q 2020. However, going into 2Q 2020, with stricter lockdown measures being imposed and some governments mandating the closure of hotels and serviced residences, some of ART's lessees have subsequently requested for rent relief. We are monitoring market practices and will seek a resolution that is sustainable for both parties. In the interim, security deposits may be used to offset the rents, if necessary. The Group will continue to actively engage tenants and monitor the level of arrears.

4.	Do you foresee a problem with too many shopping malls in Singapore? Would it not be challenging to attract footfall?
	Compared to other markets, Singapore's provision of shopping centre floor space per capita, estimated at 6.3 square feet (sq ft) net lettable area in 2019, is considered to be moderate. In addition, Singapore has fewer large malls - Shopping centres with net lettable area of 500,000 sq ft and above only account for under 30% of total shopping centre floor space in Singapore. We do not anticipate any new shopping centre openings larger than 200,000 sq ft in the near future. The moderation in the pace of supply growth post-2019 is expected to benefit the market. More importantly, majority of CapitaLand's Singapore shopping malls cater to necessity shopping and are near to transport infrastructure and residential catchment areas. Being a dominant mall with the right catchment, complemented by the use of digital platform in the form of CapitaStar app, adds to the relative resilience of our shopping malls.
5.	Does the Company have business interruption insurance for its commercial properties (malls, offices, etc) to mitigate the impact of COVID-19?
	Our insurance policies have a standard infectious disease extension. We are currently reviewing and engaging our insurers with regards to the same. Given that COVID-19 is a global pandemic that has affected business closures across many sectors, we foresee this engagement will be a long-drawn process.
6.	Has CapitaLand's digitisation efforts and the CapitaStar platform started to bear fruits and boost retail sales in Singapore?
	CapitaLand's digitisation efforts have seen positive results through CapitaStar platform in terms of engagement with our shoppers as well as boosting retail sales 24/7 to our retailers with the convenience at their fingertips. COVID-19 and the circuit breaker has brought to the fore the importance of an omnichannel retail strategy - investment in digitisation is ever more critical. On 1 June 2020, CapitaStar launched ecommerce platform eCapitaMall, and online food ordering platform Capita3Eats, to cater to consumer needs while helping retailers reach more customers and online business opportunities, and to provide sustained revenue to our retailers during this difficult period. As the operator of Singapore's largest mall network, our retailers will get a leg up in the digital space by tapping on more than 1 million CapitaStar members and the marketing reach through CapitaLand's physical network. With the opening of Phase 2 post Singapore's Circuit Breaker, digitisation continues to be the centrepiece to empower our retailers with marketing solutions and data analytics; retailers are able to use these platform solutions to bolster their sales numbers online and offline. For shoppers, eCapitaMall and Capita3Eats will allow them to earn and spend their STAR$ not just in-store, but also online. Lastly, the electronic version of CapitaVoucher will continue to grow as a strategic piece to enhance sales opportunities for our retailers both online and offline. In 2019, we sold close to $95 million of CapitaVouchers which will come back to our retailers in the form of retail sales.

7.	How many residential units were sold in China in April and May 2020? Do we have to reduce our selling prices?
	From January to May 2020, the Group sold more than 1,400 residential units worth about RMB4 billion. More than half of the sales was achieved in April and May. Selling prices of launched residential projects have remained constant.
	B. Group Financials
1.	Will there be substantial asset impairments in FY 2020 due to COVID-19?
	We believe that the challenging operating environment due to COVID-19 will adversely impact the Group's financial performance for 2020. This includes the fair valuation of our investment properties. In line with the Group's policy, we will carry out the independent valuations of our investment properties in December 2020, to coincide with our financial year end. We are committed to update the market in a timely manner, on any material changes to our performance outlook.
2.	Will there be any funding needs? If so, what is the preferred mode?
	The Group has the necessary liquidity and committed facilities in place to meet our funding needs. We proactively review our cashflows, debt maturity profile and overall liquidity position on an ongoing basis to ensure all our funding needs are met. In addition, the Group actively diversifies our funding sources by putting in place a combination of bank facilities and capital market issuances. Year to date, CapitaLand Group (including consolidated REITs) has raised approximately S$3.3 billion in total funding, including S$1.8 billion in sustainability financing. If substantial fund raising is required, such as in the case of a compelling strategic business opportunity, the Group will explore all sources and methods that is in the best interest of Shareholders.
	C. Business Strategy
1.	With the on-going and growing tensions between U.S. and China, how do you plan to manage and mitigate risks?
	While prolonged trade tensions between China and the U.S. present challenges, CapitaLand believes in the long-term growth of the Chinese market, which is largely driven by domestic consumption. We have relevant scale in first and second-tiered cities in across our five core city clusters[2] in China where we enjoy competitive advantage in terms of localised knowledge and network. Overall, CapitaLand believes in having a well-balanced and diversified portfolio in terms of asset class and geography to strengthen our resilience against evolving geo-political situations, macroeconomic and cyclical volatility. Our strategy is to be in markets which we can build relevant scale and be in a position to attract talents. This will enhance our

[2] The 5 core city clusters Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an, and Wuhan.

	agility and competitiveness in the long run.
2.	Do you plan to recycle the Raffles City projects in China into a REIT?
	As part of our proactive asset management strategy, we periodically review our portfolio and evaluate opportunities that will maximise value for our stakeholders. Our fundamental principle as always, is to create value for our Shareholders. In this context, should we decide to sell, our divestment channels could include sale to third party, private funds, or REITs.
3.	What pre-emptive measures will you take in post-COVID world?
	CapitaLand believes that our balanced and diversified portfolio provides us with added all-weather agility and resilience. Our combination with Ascendas-Singbridge in 2019 added a new economy asset class (Business Park, Industrial and Logistics) to our portfolio. This was a significant step taken to future proof CapitaLand by gaining immediate scale and expertise into a tech-enabled, high growth sector. On an ongoing basis, we have always been proactive in looking at ways to enhance our existing product offerings. Please see **Section A Question 2** for examples on this.
D. Shareholder Returns	
1.	Will dividends be cut for the next financial year?
	The Company's dividend policy is to declare a dividend of at least 30% of the annual cash PATMI (profit after tax and non-controlling interests), defined as the sum of operating PATMI, portfolio gains/losses and realised revaluation gains/losses. Notwithstanding, dividend payout decisions have to be balanced with the need to conserve cash and to prevent a deterioration of the Company's financial position taking into consideration the risk of a prolonged period of economic uncertainty due to COVID-19, higher volatility and uncertain demand outlook. We are providing Shareholders with the option to receive dividends in new shares. Please see **Section E** on Scrip Dividend Scheme for more information.
2.	Why is CapitaLand not purchasing shares now when the share price is low?
	It is in our interest to see total shareholder returns increase. A share buyback is one of the options that the Company can consider when we believe our stock is undervalued and if we have excess capital. The Group last undertook a share buyback in 2018 when we purchased S$341.8 million worth of CapitaLand shares. However, in the current situation, this has to be balanced with the need to conserve cash to prevent a deterioration of the Company's financial position, in view of a potentially prolonged period of economic uncertainty, and an uncertain demand outlook.

	E. Scrip Dividend Scheme (SDS)
1.	How will my stakes be diluted if I do not participate in the SDS?
	Your shareholding in our Company may be diluted should you choose to receive your dividends in cash, and the extent of such dilution will depend on the extent to which other Shareholders elect to reinvest their dividends into new CapitaLand shares, as well as the discount applied to the scrip dividend.
2.	Will the Company apply discount to the scrip dividend for Shareholders who participate in the SDS?
	A discount of no more than 10% may be applied to the average VWAP. Shareholders should take note that the discount may vary with each dividend. CapitaLand will make known the applicable discount in each scrip dividend announcement.
3.	Will the SDS be implemented this year or in future years?
	The Company has established the SDS this year, subject to Shareholders' approval of alterations to the Company's Constitutions at the AGM. Application of the SDS to any particular year's dividends is subject to the approval of CapitaLand's Board of Directors. If the SDS will not be applied to any particular year's Dividends, the Dividend will be paid in cash to Shareholders.
	F. Others
1.	Can CapitaLand please provide us with some updates on the proposed merger between CapitaLand Commercial Trust (CCT) and CapitaLand Mall Trust (CMT)?
	As the Group previously communicated, the ongoing COVID-19 pandemic has presented unprecedented challenges for the overall Singapore property sector and the broader economy. With the guidance of the respective REIT Board, the Manager of CMT and the Manager of CCT will continue to closely monitor and assess the situation. They will also continue to stay engaged with the unitholders of the REITs and provide updates as and when necessary. The Long-Stop Date under the Implementation Agreement remains at 30 September 2020.
2.	How is Temasek, as the major shareholder of CapitaLand, influencing the Company's business decisions?
	CapitaLand is an independently managed and operated Company with our own board and management, and we develop our own strategies, make our own business decisions and drive our own operations. We treat Temasek the same way as we would any other Shareholders and may collaborate with them in suitable opportunities or initiatives, within sound corporate governance practices.

3.	Does CapitaLand cover "property management" across all its geographical locations? If yes, any intention to seek further value for the Group via separate listing(s) of "property management" unit(s) either on the SGX or foreign exchanges?
	CapitaLand maintains an in-house property management function across most of our markets, in particular, our core markets of Singapore, China, Vietnam and India. This is to ensure the operational efficiency of our assets for the benefit of our tenants and patrons. Outside of our core markets, we may make use of third-party property management companies with strong local expertise to keep our asset structure light and efficient. Whilst we continually evaluate all strategic options that have the potential to enhance the Group's long-term sustainable value, there are presently no plans to seek a separate listing for our property management units.